

MARKETING LABOR IN THE WORLD ECONOMY: MIGRATION AND DEVELOPMENT THEORY, FILIPINO CONTRACT LABORERS AND THE STATE

Johnathan Walker
Syracuse University

Abstract. This paper is an investigation into migration and development theory as it relates to the international movement of Filipino laborers in the world economy. The theories of modernization and dependency are discussed, while the latest of these theories, the world-system, receives an extended treatment and critique. I conclude that because these theories fail to include a significant role for state involvement in labor mobility, they cannot fully explain the extensive and continuing patterns of international migration by Filipino laborers.

This paper is an examination of the migration and development literature as it pertains to international labor migration. My examination of migration theories falls into three categories. First, I will explore the neoclassical economics-based theories of modernization: equilibrium and dualist theories. Second, I review and comment on Myrdal's cumulative causation theory. Third, I assess the Marxist-based theories of dependency and the world system. Examination of these theories of migration is designed to elucidate the major theoretical positions relating to migration and development. The philosophical and theoretical approaches of these theories are reviewed and critiqued as they pertain to international labor migration. I will then look at the international migration of Filipino laborers. I conclude by questioning the ability of these theories to explain the case of Filipino migrants.

Theories

The first of the migration theories reviewed is equilibrium theory. The perspective of an equilibrium theory of migration is that labor migration is a way of restoring the equilibrium between spatial units. Portes (1978) notes that the concept is a product of conventional economists who have seen migration as a self-regulating process of supply and demand. Migration is seen as decreasing population pressure and restoring the balance of capital and human resources; the restoration of a balance has a positive affect on the those left behind. Of course, equilibrium theory assumes that there was an initial balance that could be restored.

Proponents of a dualist theory, on the other hand, believe that the migration of labor occurs between two distinct or dual economies: the traditional and the modern. The roots of dualist theory are imbedded in a philosophy of the superiority of the modern, versus the inferiority of the traditional. Kearney (1986, 333) notes that dualism theorists in migration view migrants as, "progressive types who would have a positive impact on development by bringing back to their home communities innovations and knowledge that would break down traditionalism." Many studies of migration have assessed movement in terms of these progressive types. In doing so, they have employed methodologies that are based upon and within the individual factors that influence the decision to migrate. Portes (1978, 5) counters this type of study recognizing that, "Nothing is easier than to compile a list of such push and pull factors and present them as a theory of migration."

The difficulties of using either equilibrium or dualism to explain international labor migration stem from the structural limitations of these theories. Interaction in both equilibrium and dualist theories is limited to two states: one labor receiving and one labor sending. In addition, both theories view migration as an individual choice, without

a broad consideration of state economic policies in the sending state or government policies designed to encourage labor to migrate.

Myrdal (1957), writing on development in the 1950s, offered a counterproposal to those who claimed that migration was simply a case of equalizing resources maldistributed in space. Unlike the modernization theorists, Myrdal believes that the redistribution of surplus resources (including labor) from the traditional to the modern leads to an ever-increasing impoverishment of the surplus region. He theorized that a drain of surplus resources had backwash effects that produced, instead of a positive balancing of labor, a negative and cumulative effect, thus causing an entrenchment of poverty and a deepening of underdevelopment.

Myrdal's cumulative causation theorizes the interaction between states more successfully than modernization theories by noting the differential levels of power between states. However, it too does not account for the power of the state to send its labor resources independently of the labor-receiving state.

Dependency theorists share essentially the same belief as Myrdal in recognizing a development of underdevelopment. For dependency theorists, however, domination by capitalism and capital's drive for profit was the cause of such underdevelopment. Baran (1957), Frank (1967), and other dependency theorists argued that trade with developed states was uneven due to the nature of relations between the developed and underdeveloped regions. Such unevenness occurred in the process that transferred raw materials to the developed core and returned them in the form of finished products sold back to the periphery. For the evaluation of migration, surplus labor was also transferred to the core. International labor migration, therefore, followed patterns of trade and colonialism with a range of unskilled and semi-skilled labor entering core states from peripheral states. Perhaps the best example of the dependency thesis of migration is the brain drain of professionals to the core as a factor contributing to the underdevelopment of peripheral states.

Criticisms of dependency have noted that it shares with equilibrium theory the idea that migration occurs between two distinct spatial units: the place that exploits and those that are exploited. Portes notes that a dependency approach would imply a continued deepening of exploitation, with the result that nothing would be left in the periphery, everything having been accumulated in the core.

The world system approach to labor migration starts with the basic structure of core and periphery used by dependency theorists. However, the addition of an intermediate category, the semi-periphery, provides more flexibility to the structure of economic relations (Wallerstein 1974). Labor migration is viewed not as being between two states, one developed and the other underdeveloped, but as part of a single world economic system: the capitalist world-economy. The addition of an intermediate category allows the world system more flexibility as states can ascend from peripheral to semi-peripheral or descend from core to semi-periphery, rather than going from one polar opposite to the other. The main differences between the world system and dependency theories lie in the semi-periphery category and the world system's articulation of capitalism as holding the power instead of the colonial state.

Petras (1981, 45), employing a world systems approach to international labor migration, states that, "Flows of capital bind the peripheral populations to events and decisions in the core, just as they tie the formation of the core to the evolution of the social formations of the periphery. Labor migration is the movement of workers within this historically interdependent grid."

The crux of her argument is that wage zones for the remuneration of labor are distinguished by the core, semi-periphery, and periphery categories of the capitalist world economy. The reward to labor is therefore low at one pole, and the concentration of capital is high at the other. Her conclusion follows that the wage zones dictate low wages at the periphery and high wages at the core. Within a world system approach Petras states that (1981, 54), "the structure of inequality among wages zones associated with each of the three major divisions remains ... the trend for labor to move from lower to higher wage zones and for capital to procure labor from lower wage zones continues."

Portes and Walton (1981), also employing a world system-based assessment of international labor migration, point out that the recruitment of labor across state boundaries is carried out by the most powerful forces of the core economies. It should be noted, however, that such penetration need not originate in the core states. Increasingly the states of the semi-periphery and periphery are the initiators of contact regarding the potential supply of labor.

The conception of the articulation of capitalism as the motivating force behind international labor migration is correctly put forth. However, the addition of a dominant role for the state apparatus in organizing and facilitating the transport of labor is generally glossed over. I argue that the role of the state apparatus in international labor migration cannot be overemphasized. In the example of the Philippine Overseas Employment Administration (POEA), the involvement of the state has replaced what was previously seen as the pursuits of the individual worker. Additionally, the migration of laborers cannot be viewed as being only for the purposes of production of surplus value. Although the primary purpose has historically been to keep labor costs low within the capitalist mode of production, the reality of laborers migrating who are not producing (such as domestic servants) upsets the myth of the role of migrant labor within the capitalist world economy.

The POEA: Intensive Marketing

Entrance by the state government into the global supply of labor has changed the way in which potential sources of labor are informed of overseas opportunities. The extensive and expanding marketing effort of the POEA has created a national industry out of human capital export. With the POEA supporting the recruitment effort through numerous pamphlets and advertisements, there is no longer a need for the type of individual network building that was historically so important to international mobility for employment.

The predecessor of the POEA, the Overseas Employment Development Board (OEDB), was organized in a manner designed primarily to promote employment and develop opportunities. Several approaches were used to increase awareness. Marketing missions or labor attaches from the OEDB would engage in recruitment negotiations with foreign employers and governments. In an effort to be more accessible to potential employers, overseas offices were opened. In 1978 for example, overseas offices were in operation in Teheran, New York, and Jeddah, Saudi Arabia. In addition, the OEDB annual report adds (1978, p.4), "The OEDB is development oriented. Marketing strategies that will raise competition in the world labor markets have been implemented in direct coordination with the Labor Attache service and Philippine embassies and consulates abroad." In effect, each government representative abroad wears two hats: the first one marked "diplomat," the second marked "workers available." (However, it may be argued that the inverse is much closer to the truth.)

In core states employment opportunities for contract workers fall into sectors of the economy that have historically exploited immigrant laborers from a collection of international origins. The jobs available are in enterprises of a well-known type: labor-

intensive, low-paying, and base-technology enterprises. For example, in the highly competitive U.S. garment industry, cutting and sewing are historically done by immigrants and avoided by natives.

When a labor shortage occurs in these industries, representatives of the Philippine government are hard at work promoting their countrypeople to fill any open jobs. The conduit for this labor promotion is the Philippine labor attache whose duty is to market Filipino workers willing to migrate. In response to shortages in the southern California garment industry, a Philippine labor attache' stated (Mathews 1987, p. 1), "I made a guarantee that our workers are experienced, capable and willing to fill the void."

At its inception, the labor export plan, devised in 1974 during the Marcos regime, was characterized as a "temporary measure to ease unemployment and generate foreign exchange to pay off a \$3.75 billion debt" (Cohen 1990, 32). If once conceived as a temporary plan, that notion was soon dispelled by the reality of continued government support and an absence of reference to the plan's temporary nature. By 1988, reported unemployment levels reached 8.6 percent, debt had escalated to U.S. \$28 billion, and reliance on such labor export had become more important than ever (Cohen 1990). Thus the volatility of employment in the Philippines forces millions of workers to consider, and hundreds of thousands to participate in, overseas migration.

Composition of Filipino Labor

There are some important characteristics relating to the composition of the flow of Filipino contract workers in the capitalist world economy. Jobs initially were heavily male dominated with concentrations in construction, manual labor, and engineering, while a lesser number were found in service occupations. More recently, however, service occupations have increased, thus increasing the participation of women in overseas migration.

The participation of Filipino women in overseas migration is of special significance. This participation is displayed in vastly different forms from men. Women are employed mainly as hotel workers, entertainers, hospital workers, and domestic servants (Mydans 1988). Demand for Filipino women varies from state to state; however, domestic servants rank at the top in terms of the highest demand among foreign employers. Filipino women employed as domestic help account for nearly 30% of the total number of overseas workers (POEA 1987). States where large numbers of domestics were employed were Saudi Arabia with nearly 25,000, and Singapore and Hong Kong with over 50,000 combined (POEA 1987). Hong Kong immigration estimates the number of Filipino domestics at almost 53,000, over 25% of Hong Kong's foreign population (Keung 1990). POEA statistics on overseas employment support these estimates, with female migrants from all skill categories numbering over 180,000 out of 382,000 contract workers, 47% of the total for 1987.

In addition to the large numbers of domestic servants, demand for Filipino nurses has also become important. Because of their training in Western-style medical institutions, Filipino nurses have been heavily tapped to fill hospital staffing deficiencies in Europe, the United States, and many of the states of the Middle East.

The image of both male and female Filipino workers as diligent, loyal, and obedient has added to, and perhaps created, the increasing demand for their labor. Unlike workers from other countries, Filipinos have carried out contracts without the rioting that had characterized previous employment of Indian and Pakistani laborers. Such conformity likely influenced a switch to Korean and Filipino labor (Ling 1984). In comparison to the South Asian laborers, both male and female Filipino workers are seen as unproblematic employees who will work hard and complain little. A Filipino expatriate

who runs an employment agency in London said (Mydans 1988), "They are more obedient, more like servants. They will do work that, say, Moroccans, Portuguese, and Italians would refuse."

Conversely, in defense of a short-lived ban on export of female labor in 1988, Philippine Labor Secretary Franklin Drilon summed up the new image of the Philippines (Mydans 1988, p.6), "The Philippines has virtually become a country of maids, cheap domestic labor to clean up after the rest of the world." Seemingly the image of the Filipino worker has become concretized as being that of the quintessential cheap laborer. Certainly the statement by Secretary Drilon would be difficult to refute given the large number of Filipino domestics overseas. However, many contract workers are highly skilled technicians and teachers, thus diffusing the notion of Filipinos as cheap laborers. Employment statistics kept by the POEA show that less than 30% of labor migrants are from professional and technical fields, while service workers, production workers, equipment operators, and laborers comprise the remainder of migrants.

Conclusion

States that send labor and states that receive labor are significant players in the labor import/export business. While migration and development theories have attempted to provide a guide to the operation of labor migration as it relates to world capitalism, none are entirely successful. The opposing paradigms of neoclassical and Marxist political economy, like the north ends of two magnets, are difficult to join. Yet, the motivation for international labor migration is one shared by both individualistic and capitalistic pursuits.

That labor migration can exist as a natural leveling of regional disparities, negligent of state limitations on such redistribution, is unrealistic. Likewise, the idea that migrants are simply slaves to the world accumulation of capital is additionally absurd. While world-system theory represents the best guide available, it is not without flaws. The theory of world systems acknowledges the structure of the capitalist state and the impact of capitalist policies upon the state. However, in its attempt to theorize labor migration, the world system does not recognize the direct impact of the state to facilitate labor movement independent of the structural restrictions of the core, semi-periphery, and periphery.

Although the state has been recognized by Graham and Gibson (1986) as an actor in international labor migration, the impact of the state as a promotor of overseas employment has not been inserted into the spatial framework of the world economy. A clear outcome from the Philippine case is a deficiency in theorizing the role of the state in international labor migration. The success of the Philippines in exploiting employment opportunities in destinations that counter the theoretical assumptions of world system wage zones suggests that a revision of theory is necessary.

Oil-rich and newly industrialized countries will continue to be a factor in labor import in an effort to develop, in effect dispelling the notion that labor must follow the path set forth by the levels of the world system. The role of the state in the promotion of labor migration, in combination with the recognition of the political and economic power of receiving states, is vitally important in determining the character of international migration flows. The reality of the Philippine case of international labor migration is that the states of the periphery and semi-periphery have become and are becoming more interdependent, but outside the direct influence of the core.

The role of the state in establishing institutions such as the POEA for labor promotion, is crucial to understanding the contemporary situation of international labor

migration. Likewise, it is important to include the role and influence of the state into any effort aimed at the reformulation of migration and development theory.

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